

**Introduced by Senator Price**

January 10, 2011

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An act to add Section 14838.8 to the Government Code, relating to public contracts.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 67, as introduced, Price. Public contracts: small business participation.

Existing law, the Small Business Procurement and Contract Act, requires the Director of General Services and the heads of other state agencies that enter into contracts for the provision of goods, services, and information technology and for the construction of state facilities to establish goals for the participation of small businesses in these contracts, to provide for small business preference in the award of these contracts, to give special consideration and special assistance to small businesses, and, whenever possible, to make awards to small businesses, as specified.

This bill would, on and after July 1, 2012, authorize the Department of General Services to direct all state agencies, departments, boards, and commissions to establish the goal to achieve 25% small business participation in state procurements and contracts each fiscal year, to ensure that the state's procurement and contract processes are administered in order to meet or exceed the goal, and to report to the Director of General Services statistics regarding small business participation in the agency's procurements and contracts.

The bill would also authorize the Department of General Services to establish policies and procedures to monitor the progress of the agencies toward meeting the goal of 25% small business participation and to provide this information to the Office of Small Business Advocate.

The bill would further authorize the Department of General Services to require a state agency, department, board, or commission that has not achieved its fiscal year goal to submit an implementation and corrective action plan, and to submit a plan every year thereafter as long as that agency fails to meet or exceed the goal. The bill would also authorize the department to establish criteria for such a plan, as specified. The bill would authorize the department to undertake reasonable means to assist agencies in improving small business participation in their contracting.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 14838.8 is added to the Government  
2 Code, to read:

3 14838.8. In order to encourage small business participation in  
4 state contracts, the Department of General Services may direct all  
5 state agencies, departments, boards, and commissions to establish  
6 the goal to achieve 25 percent small business participation in state  
7 procurements and contracts each fiscal year. Should the department  
8 give this direction, all of the following apply:

9 (a) Notwithstanding any other provision of this chapter, the  
10 heads of all state agencies, departments, boards, and commissions,  
11 shall implement procurement and contract processes in order to  
12 meet the goal of 25 percent small business participation, and shall  
13 report to the Director of General Services statistics regarding the  
14 annual participation of small businesses in the agency's  
15 procurements and contracts.

16 (b) The Department of General Services may establish policies  
17 and procedures to monitor the progress of all state agencies,  
18 departments, boards, and commissions toward meeting the goal  
19 of 25 percent small business participation. The department may  
20 regularly share information with the Office of Small Business  
21 Advocate on each individual agency, department, board, and  
22 commission's progress in meeting the annual goal, including, but  
23 not limited to, providing copies of corrective action plans.

24 (c) (1) The Department of General Services may require a state  
25 agency, department, board, or commission that has not achieved  
26 its fiscal year goal of 25 percent small business participation to

1 submit an implementation and corrective action plan, and to submit  
2 such a plan annually thereafter, as long as that agency fails to meet  
3 or exceed the goal. The department may establish criteria for such  
4 a plan and publish it in the State Administrative Manual.

5 (2) The Department of General Services may undertake  
6 reasonable means to assist agencies in improving small business  
7 participation in their contracting, including entering into  
8 memoranda of understanding with the agencies that have not met  
9 the goal.

10 (d) The Department of General Services shall establish in the  
11 State Administrative Manual and the State Contracting Manual  
12 policies for all state agencies, departments, boards, and  
13 commissions to use the contracting procedure authorized in Section  
14 14838 to contract with small businesses, as directed.

15 (e) The Department of General Services shall actively promote  
16 small business certification.

17 (f) This section shall become operative on July 1, 2012.